



DEPARTMENT OF THE INTERIOR

Office of Natural Resources Revenue

[Docket No. ONRR-2011-0025; DS63644000 DR2000000.CH7000 212D1113RT,

OMB Control Number 1012-0003]

Agency Information Collection Activities: 30 CFR Parts 1227, 1228, and 1229,

Delegated and Cooperative Activities with States and Indian Tribes

AGENCY: Office of Natural Resources Revenue (“ONRR”), Interior.

ACTION: Notice of Information Collection; request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (“PRA”), ONRR is proposing to renew an information collection. Currently, the information collection is authorized by the Office of Management and Budget (“OMB”) under OMB Control Number 1012-0003, which expires on December 31, 2021. ONRR uses the information collected under this Information Collection Request (“ICR”) both to review and approve delegation proposals from a State that is seeking to perform royalty management functions and to prepare a cooperative agreement with a State or Indian tribe seeking to perform royalty audits and investigations.

DATES: Interested persons are invited to submit comments on or before **[INSERT DATE 60 DAYS AFTER PUBLICATION DATE IN THE *FEDERAL REGISTER*]**.

ADDRESSES: All comment submissions must (1) reference “OMB Control Number 1012-0003” in the subject line; (2) be sent to ONRR before the close of the comment period listed under **DATES**; and (3) be sent through one of the following two methods:

- *Electronically via the Federal eRulemaking Portal:* Please visit <https://www.regulations.gov>. In the Search Box, enter the Docket ID Number for this ICR renewal (“ONRR-2011-0025”) and click “search” to view the

publications associated with the docket folder. Locate the document with an open comment period and click the “Comment Now!” button. Follow the prompts to submit your comment prior to the close of the comment period.

- *Email Submissions:* For comments sent via email, please address them to ONRR_RegulationsMailbox@onrr.gov with the OMB Control Number (“OMB Control Number 1012-0003”) listed in the subject line of your email. Email submissions must be postmarked on or before the close of the comment period.

Docket: To access the docket folder to view the ICR *Federal Register* publications, go to <https://www.regulations.gov> and search “ONRR-2011-0025” to view renewal notices recently published in the *Federal Register*, publications associated with prior renewals, and applicable public comments received for this ICR. ONRR will make the comments submitted in response to this notice available for public viewing at <https://www.regulations.gov>.

OMB ICR Data: You may also view information collection review data for this ICR, including past OMB approvals, at <https://www.reginfo.gov/public/do/PRASearch>. Under the “OMB Control Number” heading enter “1012-0003” and click the “Search” button located at the bottom of the page. To view the ICR renewal or OMB approval status, click on the latest entry (based on the most recent date). On the “View ICR—OIRA Conclusion” page, check the box next to “All” to display all available ICR information provided by OMB.

FOR FURTHER INFORMATION CONTACT: To request additional information about this ICR, please contact Mr. Peter Hanley, State and Tribal Royalty Audit Committee, ONRR, by telephone at (303) 231-3721 or by email to Peter.Hanley@onrr.gov. Individuals who are hearing or speech impaired may call the Federal Relay Service at 1-800-877-8339 for TTY assistance.

SUPPLEMENTARY INFORMATION: Pursuant to the PRA, 44 U.S.C. 3501, *et seq.*, and 5 CFR 1320.5, all information collections, as defined in 5 CFR 1320.3, require approval by OMB. ONRR may not conduct or sponsor, and you are not required to respond to, a collection of information unless it displays a currently valid OMB control number.

As part of ONRR's continuing effort to reduce paperwork and respondent burdens, ONRR is inviting the public and other Federal agencies to comment on new, proposed, revised, and continuing collections of information in accordance with the PRA and 5 CFR 1320.8(d)(1). This helps ONRR to assess the impact of its information collection requirements and minimize the public's reporting burden. It also helps the public understand ONRR's information collection requirements and provide the requested data in the desired format.

ONRR is especially interested in public comments addressing the following:

- (1) Whether or not the collection of information is necessary for the proper performance of the functions of the agency, including whether or not the information will have practical utility;
- (2) The accuracy of ONRR's estimate of the burden for this collection of information, including the validity of the methodology and assumptions used;
- (3) Ways to enhance the quality, utility, and clarity of the information to be collected; and
- (4) How might the agency minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of response.

Comments that you submit in response to this notice are a matter of public record. ONRR will include or summarize each comment in its request to OMB to approve this

ICR. Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, ONRR cannot guarantee that it will be able to do so.

Abstract: The Secretary of the United States Department of the Interior (“Secretary”) is responsible for mineral resource development on Federal and Indian lands and the Outer Continental Shelf. Laws pertaining to Federal and Indian mineral leases are posted at http://www.onrr.gov/Laws_R_D/PubLaws/default.htm. Pursuant to the Federal Oil and Gas Royalty Management Act of 1982 (“FOGRMA”) and other laws, the Secretary’s responsibilities include maintaining a comprehensive inspection, collection, and fiscal and production accounting and auditing system that: (1) accurately determines mineral royalties, interest, and other payments owed, (2) collects and accounts for such amounts in a timely manner, and (3) disburses the funds collected. *See* 30 U.S.C. 1701 and 1711. ONRR performs these royalty and revenue management responsibilities for the Secretary. *See* Secretarial Order No. 3306.

(a) *General Information:* Congress enacted FOGRMA, in part, “to effectively utilize the capabilities of the States and Indian Tribes in developing and maintaining an efficient and effective Federal royalty management system.” 30 U.S.C. 1701(b)(5). Relevant to this ICR, FOGRMA provides the Secretary with authority to: (1) review and approve delegation proposals from states seeking to perform royalty management functions, and (2) prepare a cooperative agreement with a State or Indian tribe seeking to perform royalty audits. 30 U.S.C. 1732 and 1735. Under 30 U.S.C. 1735, the Secretary can delegate all or part of the authority and responsibility to: “(1) conduct inspections, audits, and investigations; (2) receive and process production and financial reports; (3) correct

erroneous reporting data; (4) perform automated verification; and (5) issue demands, subpoenas, and orders to perform restructured accounting, for royalty management enforcement purposes . . . to any State with respect to all Federal land within the State.” 30 U.S.C. 1735(a)(1)-(5). Through cooperative agreements, entered into pursuant to 30 U.S.C. 1732, oil or gas royalty management information is shared, and a State or Indian tribe is able to carry out certain inspection, auditing, investigation, or limited enforcement activities in cooperation with the Secretary. A number of States and Indian tribes are working partners with ONRR and an integral part of the overall onshore and offshore compliance effort. Through the Appropriations Act of 1992 (Pub. L. 102-154), codified at 30 U.S.C. 196, the Secretary’s authority for oil and gas leases was extended to other energy and mineral leases, including coal, geothermal steam, and leases subject to 43 U.S.C. 1337(g) of the Outer Continental Shelf Lands Act (“OCSLA”) as discussed further below.

(b) *Information Collections*: This ICR covers the paperwork requirements under 30 CFR parts 1227, 1228, and 1229. This collection of information is necessary in order for States and Indian Tribes to conduct audits and related investigations of Federal and Indian oil, gas, coal, other solid minerals, and geothermal royalty revenues from Federal and Tribal leased lands. ONRR uses the information collected to: (1) review and approve delegation proposals from States seeking to perform royalty management functions, and (2) prepare a cooperative agreement with a State or Indian tribe seeking to perform royalty audits. The requirements of 30 CFR parts 1227, 1228, and 1229 are:

(1) 30 CFR Part 1227—Delegation to States. Part 1227 governs the delegation of certain Federal royalty management functions to a State under 30 U.S.C. 1735 , for Federal oil and gas leases covering Federal lands within the State. This part also governs the delegation of audit and investigative functions to a State for Federal geothermal leases or solid mineral leases covering Federal lands within the State (30 U.S.C. 196), or

leases covering lands offshore of the State subject to section 8(g) of the OCSLA (43 U.S.C. 1337(g)). To be considered for such delegation, a State must submit a written proposal to ONRR, which ONRR must approve. Following the delegation process, 30 CFR Part 1227 outlines State responsibilities, compensation, performance reviews, and the process for terminating a delegation.

(2) 30 CFR Part 1228—Cooperative Activities with States and Indian Tribes. FOGRMA (30 U.S.C. 1732) authorizes the Secretary to enter into a cooperative agreement with a State or Indian tribe to share oil and gas royalty management information, and to carry out inspection, audit, investigation, and enforcement activities on Federal and Indian lands. Federal regulations, at 30 CFR Part 1228, implement this provision and set forth the requirements and procedures for entering into a cooperative agreement, the terms of such agreements, and subsequent responsibilities that must be carried out under the cooperative agreement. Through the Secretary's delegation of the authority contained in 30 CFR 1228.5(a), a State or Indian tribe may enter into a cooperative agreement with ONRR's Director to carry out audits and related investigations of their respective leased lands. To enter into a cooperative agreement, a State or Indian tribe must submit a written proposal to ONRR. The proposal must outline the activities that the State or Indian tribe will undertake and must present evidence that the State or Indian tribe can meet the standards of the Secretary to conduct these activities. The State or Indian tribe also must submit an annual work plan and budget, as well as quarterly reimbursement vouchers.

(3) 30 CFR Part 1229—Delegation to States. Part 1229 governs delegations to a State to conduct audits and related investigations for Federal lands within the State, and for Indian lands for which the State has received permission from the respective Indian tribes or allottees to carry out audit activities delegated to the State under 30 U.S.C. 1735. 30 CFR 1229.4. Under Part 1229, the State must receive the Secretary's delegation of

authority and submit annual audit work plans detailing its audits and related investigations, annual budgets, and quarterly reimbursement vouchers. The State also must maintain records.

Title of Collection: 30 CFR Parts 1227, 1228, and 1229, Delegated and Cooperative Activities with States and Indian tribes.

OMB Control Number: 1012-0003.

Bureau Form Number: None.

Type of Review: Extension of a currently approved collection.

Respondents/Affected Public: States and Indian tribes.

Total Estimated Number of Annual Respondents: 9 States and 6 Indian respondents.

Total Estimated Number of Annual Responses: 449.

Estimated Completion Time per Response: 26.40 hrs.

Total Estimated Number of Annual Burden Hours: 11,851 hours.

Respondent's Obligation: Required to obtain or retain a benefit.

Frequency of Collection: Annual.

Total Estimated Annual Non-Hour Burden Cost: ONRR identified no “non-hour cost” burden associated with this collection of information.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The authority for this action is the PRA (44 U.S.C. 3501, *et seq.*).

Kimbra G. Davis,

Director for the Office of Natural Resources Revenue.

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